

# **CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**

## **Public Benefit Analysis**

### **Small-Issue Industrial Development Bond Programs and Projects**

#### **January 18 and March 15, 2006 Allocation**

Small-Issue Industrial Development Bonds (IDBs) are tax-exempt private activity bonds that are issued through state and local governmental agencies to assist manufacturing facilities finance capital expenditures. Today, most IDBs support expansions of existing manufacturing. IDBs offer considerable interest rate savings to small and midsize manufacturers in contrast to conventional loans. When used by manufacturers, IDBs serve to retain and create new jobs within their communities.

The California Debt Limit Allocation Committee (“Committee”) is responsible for administering California’s annual tax-exempt private activity bond program, known as “the annual State ceiling”. For calendar year 2006, California’s State ceiling is \$2.890 billion. Each year the Committee divides the annual State ceiling among several bond programs, known as “Program Pools”, including the Small-Issue Industrial Development Bond Project Pool. For calendar year 2006, the Committee reserved \$35 million, or 1.2%, of the State ceiling for the IDB Project Pool. The \$35 million of bond authority will be allocated throughout the 2006 program year.

The Committee awarded \$15 million to the Small Business Program on January 18, 2006 and \$5 million to Small-Issue Industrial Development Bond Projects on March 15, 2006 for a total allocation to date of \$20 million. This represents 57% of the \$35 million IDB Project Pool and .7% of the 2006 \$2.890 billion State ceiling.

The Small Business Program funds small businesses on an ongoing basis throughout the year. In awarding the \$15 million of allocation to the California Industrial Development Financing Advisory Commission (CIDFAC), the Committee authorized CIDFAC to transfer portions of the allocation to local issuers and the California Infrastructure and Economic Development Bank (I-Bank) for purposes of issuing bonds under the Program on behalf of qualified Small Businesses. CIDFAC, local issuers and/or I-Bank will have until mid-December 2006 to issue bonds. Any unused allocation will revert back to the Committee to reallocate to other programs.

The Small-Issue Industrial Development Bond project funded on March 15, 2006 will create a total of 15 new jobs and retain a total of 60 existing jobs in Orange County. Of these, 15 new and 60 retained jobs are in the City of Tustin.

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**January 18, 2006 Allocation Summary**

<b>Program Pool</b>	<b>Allocation Amount</b>	<b>Number of Projects</b>	<b>Number of New Mngmt Jobs</b>	<b>Number of New Skilled and Semi-Skilled/Jobs</b>	<b>Number of New Unskilled Jobs</b>	<b>Total Number of New Jobs Created</b>	<b>Weighted Average Hourly Wage</b>	<b>Total Number of Jobs Retained</b>
<b>Small Business Program Pool</b>	<b>\$15,000,000</b>	<b>TBA</b>	<b>TBA</b>	<b>TBA</b>	<b>TBA</b>	<b>TBA</b>	<b>TBA</b>	<b>TBA</b>
<b>TOTALS</b>	<b>\$15,000,000</b>	<b>TBA</b>	<b>TBA</b>	<b>TBA</b>	<b>TBA</b>	<b>TBA</b>	<b>TBA</b>	<b>TBA</b>

**March 15, 2006 Allocation Summary**

<b>Program Pool</b>	<b>Allocation Amount</b>	<b>Number of Projects</b>	<b>Number of New Mngmt Jobs</b>	<b>Number of New Skilled and Semi-Skilled/Jobs</b>	<b>Number of New Unskilled Jobs</b>	<b>Total Number of New Jobs Created</b>	<b>Weighted Average Hourly Wage</b>	<b>Total Number of Jobs Retained</b>
<b>Small-Issue Industrial Development Bond Project Pool</b>	<b>\$5,000,000</b>	<b>1</b>	<b>2</b>	<b>13</b>	<b>0</b>	<b>15</b>	<b>N/A</b>	<b>60</b>
<b>TOTALS</b>	<b>\$5,000,000</b>	<b>1</b>	<b>2</b>	<b>13</b>	<b>0</b>	<b>15</b>	<b>N/A</b>	<b>60</b>

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